

**Dickinson College  
Carlisle, Pennsylvania**

**“A Consortial Approach to  
Controlling College Costs”**

In an effort to confront fundamental issues involved in reducing college costs and stabilizing tuition, the colleges of the Central Pennsylvania Consortium (Dickinson College, Franklin & Marshall College, Gettysburg College, and Bucknell University) have created a joint entity to run selected business functions. Over a two-year period, this project will organize and implement a demonstration project which can meet institutional needs and serve as a model for other private colleges that are faced with the challenge of controlling costs and finding creative ways to reduce their historic dependence on tuition increases as the primary solution to maintaining balanced operating budgets. Five functional services in the corporate operations of the individual colleges have been identified as areas where collaborative efforts might yield cost savings: personnel, auxiliary services, contracted services, computing and technology, and selected business functions. It is anticipated that shared services of specialized personnel, economies of scale in volume purchasing of goods and services, and efficiency of shared training activities will lead to cost savings in the operating budgets of the respective institutions. Assessment of the project will be continuous, with internal and external evaluations to review new management practices and to analyze results in terms of efficiency and cost reduction. It is expected that the model developed from the project will be adaptable to other consortia around the country.

**Controlling Costs: Making More Productive Use of Resources to Improve Teaching and Learning**

**Postsecondary education is being challenged to reexamine its traditional methods of operation in order to achieve necessary cost-efficiencies while maintaining and improving quality. FIPSE encourages proposals to redesign courses, programs, departments, institutions, and systems to refocus critical resources on teaching and learning and make those resources pay increased dividends in student learning.**

In 1998, in response to concerns expressed in Congress and among the public, FIPSE conducted a special competition focused on controlling costs in postsecondary education. In the light of the postsecondary community's strong response to that competition, FIPSE again invites applications for support of demonstration projects in postsecondary cost control through the Comprehensive Program. For the purposes of this competition, "postsecondary education cost control" will mean the following: reducing the total amount that is actually spent by a postsecondary institution to bring a given number of students up to the level of postsecondary knowledge and skill that was achieved by comparable groups in previous years; or lowering the annual rate of increase of such costs significantly below its previous level.

For example, postsecondary cost control would include reducing the amount that is spent by University X on human resources, facilities, and equipment to bring a hundred freshmen with a certain level of preparation, ability, and motivation to the same level of understanding of calculus that was achieved by comparable groups in earlier years. Further, it would include holding the annual percentage increase in the cost of bringing such students to this level of understanding of calculus below the rate of previous years. For example, if the amount spent to bring similar groups to this level has typically increased by 6% from year to year, holding future annual increases to 3% would count for the purposes of this competition as controlling costs.

In short, FIPSE seeks to support reforms that yield the same or more education per student for fewer dollars, or at least for a smaller than usual annual percentage increase in dollars. Awards will be made for projects that depart from familiar strategies for cost control and seem likely to improve upon them, rather than for the replication of already common practices. To ensure that reviewers appreciate the innovativeness of proposed projects, applications should include a review of practices around the country that are most similar to those being proposed, mentioning examples, and explain how the proposed project would differ from these. Grant applications under this topic should show careful attention to measures of financial and educational impact. The difficulties of measuring educational outcomes and costs are well known, and FIPSE does not intend to set unrealistic standards of rigor. Nevertheless, applicants need to define very clearly what they will count as evidence that educational outcomes held constant or improved while real costs fell or rose more slowly than usual. Because the state of the art of measuring the real costs of postsecondary instruction is not very advanced, particular attention should be given to this issue.

It is FIPSE's practice to identify priorities and invite the field to come forward with its own strategies, rather than to prescribe strategies. Accordingly, applicants are encouraged to consider a variety of possible responses to these challenges, such as consolidation of general education offerings; reduction of credits required for a degree; reduction of duplicate course offerings within and between institutions; use of pedagogies that make students more responsible for their own progress and less dependent on faculty; appropriate uses of educational technology; and the sharing of resources by institutions connected by geography or mission. Innovative projects to develop new models of faculty service -- particularly those addressing appropriate balance among faculty responsibilities; connections between student learning and faculty rewards; or alternatives to traditional systems of promotion, tenure, and faculty review -- are also encouraged. FIPSE will support other curricular, pedagogical, and administrative improvements that hold promise to serve as models for other institutions.